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Health Care Financing Notes

Medicare: Participating Providers and Suppliers of Health Services, 1979

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Health Care Financing Notes

The Health Care Financing Administration was established to combine health financing and quality assurance programs into a single agency. HCFA is responsible for the Medicare program, Federal participation in the Medicaid program, the Professional Standards Review Organization program, and a variety of other health care quality assurance programs.

The mission of the Health Care Financing Administration is to promote the timely delivery of appropriate, quality health care to its beneficiaries—approximately 47 million of the nation's aged, disabled, and poor. The Agency must also ensure that program beneficiaries are aware of the services for which they are eligible, that those services are accessible and of high quality, and that Agency policies and actions promote efficiency and quality within the total health care delivery system.

HCFA's Office of Research, Demonstrations, and Statistics (ORDS) conducts studies and projects that demonstrate and evaluate optional reimbursement, coverage, eligibility, and management alternatives to the present Federal programs. ORDS also assesses the impact of HCFA programs on health care costs, program expenditures, beneficiary access to services, health care providers, and the health care industry. In addition, ORDS monitors national health care expenditures and prices and provides actuarial analyses on the costs of current HCFA programs as well as the impact of possible legislative or administrative changes in the programs.

The purpose of the ***Health Care Financing Notes*** is to provide the public with descriptive program data or information as soon as it becomes available. Data are presented here in a brief, concise format. Frequently a more comprehensive analysis of the data may be available at a later time in one of the Health Care Financing Administration's other publications.

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MEDICARE: PARTICIPATING PROVIDERS AND SUPPLIERS OF HEALTH SERVICES, JULY 1979

By Wayne Callahan

This *Note* presents, for the first time, 1979 data on the number of providers and suppliers of services certified to participate in the Medicare program.[1] Figures are shown separately for hospitals, skilled nursing facilities, home health agencies, independent laboratories, outpatient physical therapy and portable x-ray services. The accompanying tables show: (1) the five year trends in the number of providers and suppliers of services participating in the Medicare program between July 1975 and July 1979 (Table 1); and (2) State data on the number of participating providers and suppliers of services as of July 1979 (Tables 2 and 3).

Computer software services were provided by Charles Helbing, Vikki Latta, Betty Gunn and Cheryl Black. Significant contributions to the report were made by Herbert A. Silverman, Chief, Program Statistics Branch; and Allen Dobson, Director, Division of Beneficiary Studies. This report is one of a series prepared in The Office of Research, Judith Lave, Director, to provide a description and analysis of the use and cost of the health care benefits furnished to the beneficiaries of the Medicare and Medicaid programs administered by the Health Care Financing Administration.

[1] For the statutory definition of providers and suppliers of services and the detailed conditions for participation under Medicare, see *Medicare Program Regulations,* 42 CFR, Part 405, Subpart S, Health Care Financing Administration.

Trends in Participation, July 1975-July 1979

- Between July 1975 and July 1979, the number of participating short-stay hospitals increased from 6,107 to 6,128, a net increase of 21. The number of beds increased by about 83,300 (9 percent) from 901,757 to 985,070.
- The average number of short-stay hospital beds increased from 148 to 161 (9 percent).
- The number of tuberculosis hospitals dropped from 43 in 1975 to 18 in 1979. The number of beds dropped by two-thirds, from 6,823 to 2,253, during the same period.
- Although the number of certified psychiatric hospitals increased slightly, from 385 in 1975 to 411 in 1979, the number of beds dropped by one-third, from almost 199,000 to 133,000. The average number of beds per psychiatric hospital decreased from 516 to 321.
- Relatively large increases occurred in the number of skilled nursing facilities (SNF's) and the total number of SNF beds. The number of SNF's increased 26 percent, from 3,932 to 4,963. The number of SNF beds increased 46 percent, from about 287,500 to about 420,000. The average number of beds per SNF increased from 73 to 85.
- The ratio of short-stay hospital beds to SNF beds dropped from 3.1 to 1 in 1975 to 2.3 to 1 in 1979.
- The number of home health agencies increased by 24 percent between 1975 and 1979, from 2,242 to 2,788.

Distribution of Short-Stay Hospital and Skilled Nursing Facility Beds, 1979

- As shown in the tabulation below, the census divisions vary widely in the ratio of short-stay hospital beds and SNF beds per 1,000 HI Medicare beneficiaries (aged and disabled).

Census Division	Short-stay Beds per 1,000 HI Beneficiaries[1]	Skilled Nursing Facility Beds per 1,000 HI Beneficiaries[1]	Ratio of SSH to SNF Beds per 1,000 HI Beneficiaries[1]
United States	36.6	15.8	2.3
New England	32.5	17.2	1.9
Mid-Atlantic	33.4	23.1	1.4
East North Central	40.0	14.1	2.8
West North Central	41.0	7.5	5.5
South Atlantic	35.6	11.7	3.0
East South Central	40.1	11.3	3.5
West South Central	41.3	1.9	21.7
Mountain	36.7	15.5	2.4
Pacific	32.4	31.2	1.0

[1] Based on enrollment of January 1, 1979.

- The West South Central States have the highest ratio of short-stay hospital beds to beneficiaries and lowest ratio of SNF beds to beneficiaries. The overall ratio of short-stay beds to SNF beds in these States is 21.7 to 1.
- In the Pacific States, the distribution of short-stay hospital beds and SNF beds is almost equal.

Other Suppliers of Health Services, 1979

- Of the 3,334 independent laboratories certified by Medicare in the United States, almost a quarter of them (826) are located in California.
- Of the 199 certified suppliers of portable x-ray services, about one-third (64) are located in California.
- A total of 355 providers of health services were certified to receive reimbursement for outpatient physical therapy and/or speech pathology services. Florida, with 39, has the largest number among the States.

Sources of Data

Data published in this report were obtained from applications to participate in the Medicare program submitted by providers and suppliers of services, and from certification forms completed by State agencies and regional offices. The figures reported reflect information from these forms recorded in the master records maintained by the Health Care Financing Administration.

The data shown in this *Note* include the 50 States, the District of Columbia, Puerto Rico, Guam and American Samoa.

Definitions

Hospital—An institution engaged in providing to inpatients, by or under the supervision of physicians, diagnostic and therapeutic services for medical treatment of injured, disabled, or sick persons.

Short-stay Hospital—Those hospitals where the average patient stay is less than 30 days.

Long-stay Hospital—Those hospitals where the average patient stay is 30 days or more.

Psychiatric Hospital—An institution primarily engaged in providing to inpatients, by or under the supervision of a physician, psychiatric services for the diagnosis and treatment of mental illness.

Tuberculosis Hospital—An institution primarily engaged in providing to inpatients, by or under the supervision of a physician, medical services for the diagnosis and treatment of tuberculosis.

Skilled Nursing Facility—An institution primarily engaged in providing to inpatients skilled nursing care and related services for patients who require medical or rehabilitation services.

Beds—The number of certified beds regularly available (those set up and staffed for use).

Home Health Agency—An agency primarily engaged in providing intermittent skilled nursing and other therapeutic services to patients in their own place of residence.

Independent Laboratory—A laboratory performing diagnostic tests independent of a physician's office or a hospital that participates in the Medicare program.

Outpatient Physical Therapy—Physical therapy services furnished by a provider of services, a clinic, a

rehabilitation agency, or a public health agency to an individual beneficiary as an outpatient.

Portable X-ray—An individual or organization which takes radiographs with portable equipment, usually in the patient's place of residence, under the general supervision of a physician.

TABLE 1

Number and Type of Facilities and Beds Participating in the Health Insurance Program and Percentage Change, All Areas, July 1975-July 1979

Type of Facility	Facilities					Percent Change 1975-79
	1975	1976	1977	1978	1979	
Hospitals	6,773	6,802	6,806	6,797	6,801	.4
Short-stay	6,107	6,112	6,131	6,130	6,128	.3
Tuberculosis	43	38	36	26	18	-58.1
Psychiatric	385	401	400	400	411	6.8
Other Long-stay	238	251	239	241	244	2.5
Skilled Nursing Facilities	3,932	3,928	4,002	4,749	4,963	26.2
Home Health Agencies	2,242	2,361	2,420	2,605	2,788	24.4
Independent Laboratories	3,048	3,194	3,221	3,281	3,373	10.7
	Beds					
Hospitals	1,140,395	1,149,122	1,162,990	1,142,248	1,147,498	.6
Short-stay	901,757	922,601	953,067	965,323	985,070	9.2
Tuberculosis	6,823	5,754	5,457	3,722	2,253	-67.0
Psychiatric	198,802	188,288	172,949	145,376	133,106	-33.0
Other Long-stay	33,013	32,479	29,390	27,827	27,069	-18.0
Skilled Nursing Facilities	287,479	309,790	349,650	418,246	419,835	46.0

TABLE 2

Number of Participating Hospitals and Beds by Type of Hospital, Division and State, July 1979

Division and State	Total		Short-stay		Tuberculosis		Psychiatric		Other Long-stay	
	Hospitals	Beds	Hospitals	Beds	Hospitals	Beds	Hospitals	Beds	Hospitals	Beds
All areas	6,801	1,147,498	6,128	985,070	18	2,253	411	133,106	244	27,069
United States	6,741	1,138,328	6,070	976,403	18	2,253	410	132,761	243	26,911
New England	350	69,884	283	51,534	2	290	31	10,120	34	7,940
Maine	57	5,064	54	4,523	—	—	2	518	1	23
New Hampshire	31	4,128	28	3,255	—	—	3	873	—	—
Vermont	20	2,736	18	2,140	—	—	2	596	—	—
Massachusetts	171	35,683	133	27,247	2	290	13	2,424	23	5,722
Rhode Island	19	6,439	14	3,440	—	—	3	1,878	2	1,121
Connecticut	52	15,834	36	10,929	—	—	8	3,831	8	1,074
Middle Atlantic	766	216,170	647	160,750	—	—	82	51,107	37	4,313
New York	361	111,511	306	78,248	—	—	41	31,064	14	2,199
New Jersey	127	36,890	104	29,746	—	—	11	5,855	12	1,289
Pennsylvania	278	67,769	237	52,756	—	—	30	14,188	11	825
East North Central	1,037	208,795	938	190,881	2	113	78	15,741	19	2,060
Ohio	228	53,781	202	49,570	1	61	19	3,505	6	645
Indiana	138	26,570	127	24,258	—	—	10	2,300	1	12
Illinois	274	60,367	249	57,015	1	52	20	2,725	4	575
Michigan	233	45,171	216	38,913	—	—	13	5,686	4	572
Wisconsin	164	22,906	144	21,125	—	—	16	1,525	4	256
West North Central	956	110,173	839	94,425	—	—	33	11,160	84	4,588
Minnesota	190	24,094	181	21,674	—	—	7	2,344	2	76
Iowa	156	17,857	131	15,582	—	—	4	1,358	21	917
Missouri	181	33,158	163	28,418	—	—	8	4,159	10	941
North Dakota	55	4,868	53	3,980	—	—	1	800	1	88
South Dakota	65	3,892	64	3,868	—	—	—	—	1	24
Nebraska	125	10,495	101	8,234	—	—	6	933	18	1,328
Kansas	184	15,449	146	12,669	—	—	7	1,566	31	1,214
South Atlantic	957	186,529	851	156,388	5	858	75	25,651	26	3,632
Delaware	11	2,756	7	1,939	—	—	2	665	2	152
Maryland	71	20,247	54	12,985	1	217	7	5,946	9	1,099
District of Columbia	16	8,644	13	4,592	—	—	2	3,682	1	370
Virginia	127	24,587	107	21,488	1	245	14	1,787	5	1,067
West Virginia	73	10,488	70	10,374	—	—	3	114	—	—
North Carolina	158	28,853	138	22,780	—	—	13	5,250	7	823
South Carolina	79	14,774	74	10,956	1	166	4	3,652	—	—
Georgia	180	25,694	167	24,204	1	80	10	1,289	2	121
Florida	242	50,486	221	47,070	1	150	20	3,266	—	—
East South Central	531	73,931	507	70,679	2	182	15	2,601	7	469
Kentucky	115	17,116	106	15,184	1	32	5	1,666	3	234
Tennessee	160	25,093	150	24,244	1	150	7	674	2	25
Alabama	138	19,698	134	19,287	—	—	3	261	1	150
Mississippi	118	12,024	117	11,964	—	—	—	—	1	60

(continued)

TABLE 2 (Cont'd)

Number of Participating Hospitals and Beds by Type of Hospital, Division and State, July 1979

Division and State	Total		Short-stay		Tuberculosis		Psychiatric		Other Long-stay	
	Hospitals	Beds	Hospitals	Beds	Hospitals	Beds	Hospitals	Beds	Hospitals	Beds
West South Central	917	112,680	867	104,192	5	645	34	7,011	11	832
Arkansas	103	11,224	100	10,613	—	—	2	522	1	89
Louisiana	151	21,665	141	18,857	1	16	7	2,630	2	162
Oklahoma	137	16,286	131	14,207	1	127	5	1,952	—	—
Texas	526	63,505	495	60,515	3	502	20	1,907	8	581
Mountain	422	43,458	396	39,501	—	—	15	3,397	11	560
Montana	65	3,601	65	3,601	—	—	—	—	—	—
Idaho	48	2,808	48	2,808	—	—	—	—	—	—
Wyoming	29	2,050	28	1,685	—	—	1	365	—	—
Colorado	94	12,518	84	10,667	—	—	5	1,445	5	406
New Mexico	50	4,597	46	4,423	—	—	2	136	2	38
Arizona	72	10,691	66	9,666	—	—	4	961	2	64
Utah	42	4,365	39	3,965	—	—	1	348	2	52
Nevada	22	2,828	20	2,686	—	—	2	142	—	—
Pacific	805	116,708	742	108,053	2	165	47	5,973	14	2,517
Washington	114	13,367	108	11,834	1	66	5	1,467	—	—
Oregon	81	10,244	77	8,733	—	—	4	1,511	—	—
California	561	89,447	514	84,234	1	99	36	2,617	10	2,347
Alaska	24	1,269	23	1,069	—	—	1	200	—	—
Hawaii	25	2,531	20	2,183	—	—	1	178	4	170
Other areas	60	9,170	58	8,667	—	—	1	345	1	158
Puerto Rico	56	8,556	54	8,053	—	—	1	345	1	158
Virgin Islands	2	316	2	316	—	—	—	—	—	—
American Samoa	1	150	1	150	—	—	—	—	—	—
Guam	1	148	1	148	—	—	—	—	—	—

TABLE 3

Number of Participating Skilled Nursing Facilities, Home Health Agencies, Independent Laboratories, Outpatient Physical Therapy and/or Speech Pathology, and Portable X-ray, by Division and State, July 1979

Division and State	Skilled nursing facilities		Home health agencies	Independent laboratories	Outpatient physical therapy and/or pathology	Portable x-ray
	Facilities	Beds				
Total, all areas	4,963	419,835	2,788	3,373	355	199
United States	4,958	419,633	2,758	3,334	354	199
New England	391	27,336	325	229	16	19
Maine	18	609	18	2	—	—
New Hampshire	22	835	43	8	2	—
Vermont	19	698	19	3	1	—
Massachusetts	118	6,650	148	116	3	7
Rhode Island	40	1,801	13	28	1	2
Connecticut	174	16,743	84	72	9	10
Middle Atlantic	930	110,946	280	458	51	28
New York	520	67,079	120	209	11	17
New Jersey	122	13,950	45	91	15	5
Pennsylvania	288	29,917	115	158	25	6
East North Central	924	67,401	416	532	77	30
Ohio	245	24,192	110	123	20	9
Indiana	115	5,957	43	37	8	1
Illinois	207	9,327	122	198	23	6
Michigan	281	22,193	58	152	23	7
Wisconsin	76	5,732	83	22	3	7
West North Central	279	17,361	335	179	26	8
Minnesota	89	5,241	83	23	7	5
Iowa	33	819	96	17	7	1
Missouri	49	3,897	47	84	6	2
North Dakota	57	3,929	11	12	2	—
South Dakota	7	393	30	7	—	—
Nebraska	20	1,380	17	9	1	—
Kansas	24	1,702	51	27	3	—
South Atlantic	633	51,256	380	344	75	17
Delaware	13	857	6	12	2	—
Maryland	77	6,930	27	61	4	2
District of Columbia	6	419	4	10	—	—
Virginia	50	1,765	46	32	3	2
West Virginia	34	2,703	27	21	3	—
North Carolina	134	7,972	80	16	1	1
South Carolina	79	6,068	20	15	11	1
Georgia	59	5,126	38	47	12	1
Florida	181	19,416	132	130	39	10
East South Central	339	19,846	398	123	21	3
Kentucky	92	4,386	51	35	6	2
Tennessee	52	2,640	140	35	6	—
Alabama	182	12,274	80	31	6	—
Mississippi	13	546	127	22	3	1

(continued)

TABLE 3 (Cont'd)

Number of Participating Skilled Nursing Facilities, Home Health Agencies, Independent Laboratories, Outpatient Physical Therapy and/or Speech Pathology, and Portable X-ray, by Division and State, July 1979

Division and State	Skilled nursing facilities		Home health agencies	Independent laboratories	Outpatient physical therapy and/or pathology	Portable x-ray
	Facilities	Beds				
West South Central	87	4,907	308	333	36	8
Arkansas	3	314	84	22	2	—
Louisiana	12	1,838	76	49	8	1
Oklahoma	7	353	61	56	6	—
Texas	65	2,402	87	206	20	7
Mountain	252	16,664	120	167	34	11
Montana	67	2,909	16	6	8	—
Idaho	41	3,014	13	8	3	1
Wyoming	2	273	14	4	1	—
Colorado	71	5,918	35	50	14	3
New Mexico	4	223	14	21	4	1
Arizona	21	784	13	42	3	3
Utah	24	1,841	9	16	—	1
Nevada	22	1,702	6	20	1	2
Pacific	1,123	103,916	196	969	18	75
Washington	90	10,167	28	76	6	7
Oregon	53	3,632	32	38	2	3
California	951	87,821	126	826	9	64
Alaska	4	207	1	5	—	1
Hawaii	25	2,089	9	24	1	—
Other areas	5	202	30	39	1	—
Puerto Rico	4	186	28	35	1	—
Virgin Islands	—	—	1	1	—	—
American Samoa	—	—	—	—	—	—
Guam	1	16	1	3	—	—

Health Care Financing Notes

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